



General Assembly

January Session, 2009

***Raised Bill No. 6413***

LCO No. 2733

\*02733\_\_\_\_\_HSG\*

Referred to Committee on Housing

Introduced by:  
(HSG)

***AN ACT REVISING CERTAIN HOUSING STATUTES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-114d of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Commissioner of Economic and Community Development  
4 shall award grants-in-aid to housing authorities, municipal developers,  
5 [and] nonprofit corporations and housing partnerships operating  
6 elderly housing projects pursuant to this part to hire resident services  
7 coordinators to (1) facilitate conflict resolution between residents,  
8 including between seniors and younger residents, (2) establish and  
9 maintain relationships with community service providers and link  
10 residents to appropriate community services, (3) act as a liaison to  
11 assist in problem solving, (4) assist residents of such housing to  
12 maintain an independent living status, (5) assess the individual needs  
13 of residents of such housing for the purpose of establishing and  
14 maintaining support services, (6) provide orientation services to new  
15 residents and maintain regular contact with residents of such housing,  
16 (7) monitor the delivery of support services to residents of such

17 housing, (8) organize resident activities and meetings that promote  
18 socialization among all residents, and (9) advocate changes in services  
19 sought or required by residents of such housing. The commissioner  
20 shall award grants-in-aid based on demonstration of need and  
21 availability of matching funds. A joint application made by more than  
22 one housing authority, municipal developer, [or] nonprofit corporation  
23 or housing partnership shall have the same preference as an  
24 application made by one housing authority, municipal developer, [or]  
25 nonprofit corporation or housing partnership.

26 (b) The employment of resident services coordinators by a housing  
27 authority, municipal developer, [or] nonprofit corporation or housing  
28 partnership operating elderly housing projects pursuant to this part  
29 shall be considered an allowable expense.

30 (c) The Commissioner of Economic and Community Development  
31 may convene monthly meetings of the resident services coordinators  
32 for in-service training and information sharing. Training topics shall  
33 include, but not be limited to, the health care needs of seniors and  
34 persons with disabilities, mediation and conflict resolution, and local  
35 and regional service resources.

36 Sec. 2. Section 8-119h of the general statutes is repealed and the  
37 following is substituted in lieu thereof (*Effective from passage*):

38 Upon preliminary approval by the State Bond Commission  
39 pursuant to the provisions of section 3-20, the state, acting by and  
40 through the Commissioner of Economic and Community  
41 Development, may enter into a contract or contracts with an authority,  
42 a municipal developer, [or] a nonprofit corporation or a housing  
43 partnership for state financial assistance for a congregate housing  
44 project, in the form of capital grants, interim loans, permanent loans,  
45 deferred loans or any combination thereof for application to the  
46 development cost of such project or projects. A contract with an  
47 authority, a municipal developer, a nonprofit corporation or a housing  
48 partnership may provide that in the case of any loan made in

49 conjunction with any housing assistance funds provided by an agency  
50 of the United States government, if such housing assistance funds  
51 terminate prior to complete repayment of a loan made pursuant to this  
52 section, the remaining balance of such loan may be converted to a  
53 capital grant or decreased loan. Any such state assistance contract with  
54 an authority, a municipal developer, a nonprofit corporation or a  
55 housing partnership for a capital grant or loan entered into prior to the  
56 time housing assistance funds became available from an agency of the  
57 United States government, may, upon the mutual consent of the  
58 commissioner and the authority, a municipal developer, a nonprofit  
59 corporation or a housing partnership, be renegotiated to provide for a  
60 loan or increased loan in the place of a capital grant or loan or a part  
61 thereof, consistent with the above conditions. Such capital grants or  
62 loans shall be in an amount not in excess of the development cost of  
63 the project or projects, including, in the case of grants or loans financed  
64 from the proceeds of the state's general obligation bonds issued  
65 pursuant to any authorization, allocation or approval of the State Bond  
66 Commission made prior to July 1, 1990, administrative or other cost or  
67 expense to be incurred by the state in connection therewith, as  
68 approved by said commissioner. In anticipation of final payment of  
69 such capital grants or loans, the state, acting by and through said  
70 commissioner and in accordance with such contract, may make  
71 temporary advances to the authority, municipal developer, [or]  
72 nonprofit corporation or housing partnership for preliminary planning  
73 expense or other development cost of such project or projects. Any  
74 loan provided pursuant to this section shall bear interest at a rate to be  
75 determined in accordance with subsection (t) of section 3-20. Any such  
76 authority, municipal developer, [or] nonprofit corporation or housing  
77 partnership may, subject to the approval of the Commissioner of  
78 Economic and Community Development, contract with any other  
79 person approved by the Commissioner of Economic and Community  
80 Development for the operation of a project undertaken pursuant to this  
81 part.

82 Sec. 3. Section 8-119l of the general statutes is repealed and the

83 following is substituted in lieu thereof (*Effective from passage*):

84 The state, acting by and through the Commissioner of Economic  
85 and Community Development, may enter into a contract or contracts  
86 with an authority, a municipal developer, [or] a nonprofit corporation  
87 or a housing partnership for state financial assistance in the form of a  
88 grant-in-aid for an operating cost subsidy for state-financed congregate  
89 housing projects developed pursuant to this part. In calculating the  
90 amount of the grant-in-aid, the commissioner shall use adjusted gross  
91 income of tenants. As used in this section, "adjusted gross income"  
92 means annual aggregate income from all sources minus fifty per cent  
93 of all unreimbursable medical expenses.

94 Sec. 4. Section 8-119x of the general statutes is repealed and the  
95 following is substituted in lieu thereof (*Effective from passage*):

96 The Commissioner of Economic and Community Development  
97 shall, in consultation with the Department of Social Services, the State  
98 Building Inspector, the Office of Protection and Advocacy for Persons  
99 with Disabilities, the Department of Information and Technology and  
100 the Office of Policy and Management, establish a state-wide electronic  
101 database of information on the availability of dwelling units in the  
102 state which are accessible to or adaptable for persons with disabilities.  
103 [Such] To the extent practicable, such database shall include such  
104 information as: (1) The location of, the monthly rent for and the  
105 number of bedrooms in each such dwelling unit, (2) the type of  
106 housing and neighborhood in which each such dwelling unit is  
107 located, (3) the vacancy status of each such dwelling unit, (4) if a unit is  
108 unavailable, the date such unit is expected to become available or the  
109 date when a waiting list is expected to open, and (5) any feature of  
110 each such unit that makes it accessible to or adaptable for persons with  
111 disabilities. [To the extent feasible, the Commissioner of Economic and  
112 Community Development shall use information from the computer-  
113 assisted mass appraisal systems.]

114 Sec. 5. Section 8-410 of the general statutes is repealed and the

115 following is substituted in lieu thereof (*Effective from passage*):

116 (a) As used in this section, "eligible applicant" means: (1) A  
 117 nonprofit entity; (2) a municipal developer; (3) a housing authority; (4)  
 118 a business corporation incorporated pursuant to chapter 601 or any  
 119 predecessor statutes thereto or authorized to do business pursuant to  
 120 chapter 601 having as one of its purposes the construction, financing,  
 121 acquisition, rehabilitation or operation of affordable housing, and  
 122 having a certificate or articles of incorporation approved by the  
 123 commissioner; (5) any partnership, limited partnership, limited  
 124 liability company, joint venture, sole proprietorship, trust or  
 125 association having as one of its purposes the construction, financing,  
 126 acquisition, rehabilitation or operation of affordable housing; or (6)  
 127 any combination thereof if such combination includes a nonprofit  
 128 corporation, housing authority or municipal developer.

129 ~~[(a)]~~ (b) There is established a fund to be known as the "Low and  
 130 Moderate Income Housing Predevelopment Cost Revolving Loan  
 131 Fund". The fund shall contain any moneys required by law to be  
 132 deposited in the fund. Any balance remaining in the fund at the end of  
 133 any fiscal year shall be carried forward in the fund for the fiscal year  
 134 next succeeding. The fund shall be used to make loans pursuant to  
 135 subsection ~~[(b)]~~ (c) of this section and to pay reasonable and necessary  
 136 expenses incurred in administering loans under this section. The  
 137 Commissioner of Economic and Community Development may enter  
 138 into a contract with a nonprofit corporation to provide for the  
 139 administration of the Low and Moderate Income Housing  
 140 Predevelopment Cost Revolving Loan Fund by such nonprofit  
 141 corporation, provided no loan shall be made from the fund without the  
 142 authorization of the commissioner as provided in subsection ~~[(b)]~~ (c) of  
 143 this section.

144 ~~[(b)]~~ (c) The state, acting by and in the discretion of the  
 145 Commissioner of Economic and Community Development, may enter  
 146 into a contract to provide financial assistance in the form of interest-

147 free loans or deferred loans to [nonprofit corporations, housing  
148 authorities or municipal developers, or to partnerships which include  
149 a nonprofit corporation, housing authority or municipal developer,] an  
150 eligible applicant for predevelopment costs incurred in connection  
151 with the construction, rehabilitation or renovation of housing for low  
152 and moderate income persons and families. Such predevelopment  
153 costs may include: (1) Feasibility studies, (2) expenses incurred in  
154 project planning and design, including architectural expenses, (3) legal  
155 and financial expenses, (4) expenses incurred in obtaining required  
156 permits and approvals, (5) options to purchase land, (6) expenses  
157 incurred in obtaining required insurance, and (7) other preliminary  
158 expenses authorized by the commissioner. Notwithstanding the  
159 provisions of this section, financial assistance to an eligible applicant  
160 that is (A) a business corporation incorporated pursuant to chapter 601  
161 or any predecessor statutes thereto or authorized to do business  
162 pursuant to chapter 601 having as one of its purposes the construction,  
163 financing, acquisition, rehabilitation or operation of affordable housing  
164 and having a certificate or articles of incorporation approved by the  
165 commissioner, or (B) any partnership, limited partnership, limited  
166 liability company, joint venture, sole proprietorship, trust or  
167 association having as one of its purposes the construction, financing,  
168 acquisition, rehabilitation or operation of affordable housing shall be  
169 limited to predevelopment costs incurred in connection with the  
170 construction, rehabilitation or renovation of housing for low and  
171 moderate income persons and families in those communities which are  
172 not exempt from the provisions of subsection (k) of section 8-30g as of  
173 February first in the calendar year in which the eligible applicant  
174 applied for application for financial assistance. Repayment of such  
175 loans or deferred loans shall be made upon receipt of permanent  
176 financing by the borrower, except the commissioner may forgive any  
177 such loan or deferred loan in any case where the forgiveness of such  
178 loan is in the best interests of the state and the borrower (i) is an  
179 eligible applicant that is a nonprofit entity, a municipal developer or a  
180 housing authority, or any combination thereof, if such combination

181 includes a nonprofit corporation, housing authority or municipal  
182 developer, (ii) has made a good faith effort to obtain permanent  
183 financing, and (iii) has been refused such financing. [and where the  
184 forgiveness of such loan is in the best interest of the state.] Payments of  
185 principal on such loans or deferred loans shall be paid to the Treasurer  
186 for deposit in the Housing Repayment and Revolving Loan Fund. [In  
187 the case of a deferred loan, the contract shall require that payments on  
188 interest are due immediately but that payments on principal may be  
189 made at a later time.]

190       Sec. 6. Section 8-336m of the general statutes is repealed and the  
191 following is substituted in lieu thereof (*Effective from passage*):

192       As used in this [section] chapter the following terms shall have the  
193 following meanings, unless the context clearly indicates a different  
194 meaning or intent:

195       (1) "Authority" means the Connecticut Housing Finance Authority.

196       (2) "Commissioner" means the Commissioner of Economic and  
197 Community Development.

198       (3) "Department" means the Department of Economic and  
199 Community Development.

200       (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a  
201 municipality; (C) a housing authority; (D) a business corporation  
202 incorporated pursuant to chapter 601 or any predecessor statutes  
203 thereto or authorized to do business pursuant to said chapter 601  
204 having as one of its purposes the construction, financing, acquisition,  
205 rehabilitation or operation of affordable housing, and having a  
206 certificate or articles of incorporation approved by the commissioner;  
207 (E) any partnership, limited partnership, limited liability company,  
208 joint venture, sole proprietorship, trust or association having as one of  
209 its purposes the construction, financing, acquisition, rehabilitation or  
210 operation of affordable housing; (F) the Connecticut Housing Finance

211 Authority; (G) a municipal developer; (H) any community  
212 development financial institution; or (I) any combination thereof.

213 (5) "Housing", "housing development" or "development" means a  
214 work or undertaking having as its primary purpose the provision of  
215 safe, well-designed and adequate housing and related facilities for low  
216 and moderate income families and persons and includes existing  
217 housing for low and moderate income families and persons and  
218 housing whose primary purpose is to provide dwelling  
219 accommodations for low and moderate income families and persons  
220 but has dwelling accommodations for others.

221 (6) "Housing Trust Fund" or "fund" means the Housing Trust Fund  
222 created under section 8-336o.

223 (7) "Housing Trust Fund program" or "program" means the housing  
224 trust fund program developed and administered under section 8-336p.

225 (8) "Low and moderate income families and persons" means families  
226 and persons whose income falls within the income levels set by the  
227 commissioner pursuant to regulations adopted under subsection (a) of  
228 section 8-336q, except that the commissioner may establish income  
229 levels up to and including one hundred twenty per cent of the area  
230 median income, as determined by the United States Department of  
231 Housing and Urban Development.

232 (9) "Municipal developer" means a municipality acting by and  
233 through its legislative body, except that in any town in which a town  
234 meeting or representative town meeting is the legislative body,  
235 "municipal developer" means the board of selectmen if such board is  
236 authorized to act as the municipal developer by the town meeting or  
237 representative town meeting.

238 (10) "Secretary" means the Secretary of the Office of Policy and  
239 Management.

240 (11) "State Bond Commission" means the commission established



241 under section 3-20.

242 (12) "Third party contract administrator" means an eligible applicant  
 243 selected by the commissioner, through a competitive process, to  
 244 administer a revolving loan fund or to carry out some of the duties of  
 245 the department under the Housing Trust Fund program.

246 ~~[(12)]~~ (13) "Treasurer" means the State Treasurer and includes each  
 247 successor in office or authority.

248 Sec. 7. Section 8-336o of the general statutes is repealed and the  
 249 following is substituted in lieu thereof (*Effective from passage*):

250 (a) There is established the "Housing Trust Fund" which shall be a  
 251 nonlapsing fund held by the Treasurer separate and apart from all  
 252 other moneys, funds and accounts. The following funds shall be  
 253 deposited in the fund: (1) Proceeds of bonds authorized by section 8-  
 254 336n; (2) all moneys received in return for financial assistance awarded  
 255 from the Housing Trust Fund pursuant to the Housing Trust Fund  
 256 program established under section 8-336p; [and] (3) all private  
 257 contributions received pursuant to section 8-336p. Investment earnings  
 258 credited to the assets of said fund shall become part of the assets of  
 259 said fund; and (4) to the extent not otherwise prohibited by state or  
 260 federal law, any federal housing funds or other public funds received.  
 261 Investment earnings credited to the assets of the fund shall not become  
 262 part of the assets of such funds. The Treasurer shall invest the moneys  
 263 held by the Housing Trust Fund subject to use for financial assistance  
 264 under the Housing Trust Fund program.

265 (b) Any moneys held in the Housing Trust Fund may, pending the  
 266 use or application of the proceeds thereof for an authorized purpose,  
 267 be (1) invested and reinvested in such obligations, securities and  
 268 investments as are set forth in subsection (f) of section 3-20, in  
 269 participation certificates in the Short Term Investment Fund created  
 270 under sections 3-27a and 3-27f and in participation certificates or  
 271 securities of the Tax-Exempt Proceeds Fund created under section 3-

272 24a, (2) deposited or redeposited in such bank or banks at the direction  
 273 of the Treasurer, or (3) invested in participation units in the combined  
 274 investment funds, as defined in section 3-31b. Unless otherwise  
 275 provided pursuant to subsection (c) of this section, proceeds from  
 276 investments authorized by this subsection shall be credited to the  
 277 Housing Trust Fund.

278 (c) The moneys [of] held in the Housing Trust Fund shall be used to  
 279 fund the Housing Trust Fund program established under section 8-  
 280 336p and are in addition to any other resources available from state,  
 281 federal or other entities that support the program goals established in  
 282 said section 8-336p.

283 (d) Moneys held in the Housing Trust Fund may be used by the  
 284 department and awarded to third party contract administrators for the  
 285 purpose of establishing or maintaining a revolving loan fund,  
 286 provided all outstanding loans are assigned to the department when  
 287 the third party contract administrator is (1) no longer administering  
 288 the revolving loan fund; (2) in default of its obligations to the  
 289 department; or (3) no longer functioning as an entity.

290 Sec. 8. Subsection (d) of section 8-336p of the general statutes is  
 291 repealed and the following is substituted in lieu thereof (*Effective from*  
 292 *passage*):

293 (d) The Commissioner of Economic and Community Development  
 294 may, with the approval of the Secretary of the Office of Policy and  
 295 Management, solicit and accept contributions from private entities,  
 296 nonprofit and for-profit corporations, philanthropic organizations and  
 297 financial institutions, to support and expand the resources available  
 298 through the Housing Trust Fund. All such funds shall be deposited in  
 299 the Housing Trust Fund. Funding from any other local, state or federal  
 300 agency may be deposited into the Housing Trust Fund, provided the  
 301 programmatic requirements of such agency does not conflict with the  
 302 purposes of the Housing Trust Fund program.

303       Sec. 9. Section 8-37yy of the general statutes is repealed and the  
304       following is substituted in lieu thereof (*Effective from passage*):

305       (a) The Department of Economic and Community Development  
306       shall, in consultation with the State-Assisted Housing Sustainability  
307       Advisory Committee, established pursuant to section 8-37zz, establish  
308       and maintain the State-Assisted Housing Sustainability Fund for the  
309       purpose of the preservation of eligible housing. The moneys of the  
310       fund shall be available to the department to provide financial  
311       assistance to the owners of eligible housing for the maintenance,  
312       repair, rehabilitation, and modernization of eligible housing and for  
313       other activities consistent with preservation of eligible housing,  
314       including, but not limited to, (1) emergency repairs to abate actual or  
315       imminent emergency conditions that would result in the loss of  
316       habitable housing units, (2) major system repairs or upgrades,  
317       including, but not limited to, repairs or upgrades to roofs, windows,  
318       mechanical systems and security, (3) reduction of vacant units, (4)  
319       remediation or abatement of hazardous materials, including lead, (5)  
320       increases in development mobility and sensory impaired accessibility  
321       in units, common areas and accessible routes, (6) relocation costs and  
322       alternative housing for not more than sixty days, necessary because of  
323       the failure of a major building system, and (7) a comprehensive  
324       physical needs assessment. Financial assistance shall be awarded to  
325       applicants consistent with standards and criteria adopted in  
326       consultation with the recommendations of the State-Assisted Housing  
327       Sustainability Advisory Committee.

328       (b) In each of the fiscal years ending June 30, 2008, and June 30,  
329       2009, the department may expend not more than seven hundred fifty  
330       thousand dollars from the fund for reasonable administrative costs  
331       related to the operation of the fund, including the expenses of the  
332       State-Assisted Housing Sustainability Advisory Committee, the  
333       development of analytic tools and research concerning the capital and  
334       operating needs of eligible housing for the purpose of advising the  
335       General Assembly on policy regarding eligible housing and the study

336 required by section 107 of public act 07-4 of the June special session\*.  
337 Thereafter, the department shall prepare an administrative budget  
338 which shall be effective upon the approval of said committee.

339 [(c) (1) The department shall adopt regulations, in accordance with  
340 chapter 54, to implement the provisions of this section and sections 8-  
341 37xx, 8-37zz and 8-37aaa. Such regulations shall establish (A)  
342 guidelines for grants and loans, and (B) a process for certifying an  
343 emergency condition in not more than forty-eight hours and for  
344 committing emergency funds, including costs of resident relocation, if  
345 necessary, not more than five business days after application by the  
346 owner of eligible housing for emergency repair financial assistance.  
347 The guidelines under subparagraph (A) of this subdivision shall  
348 provide for deferred payment of principal and interest upon approval  
349 of the committee.

350 (2) The department shall adopt written policies and procedures to  
351 implement such provisions while in the process of adopting such  
352 policies and procedures in regulation form, and the commissioner shall  
353 print a notice of intention to adopt the regulations in the Connecticut  
354 Law Journal not later than twenty days prior to implementing such  
355 policies and procedures. The department shall submit final regulations  
356 to implement said sections to the legislative regulation review  
357 committee not later than October 1, 2009. Policies and procedures  
358 implemented pursuant to this subdivision shall be valid until the time  
359 final regulations are effective.]

360 [(d)] (c) In reviewing applications and providing financial assistance  
361 under this section, the department, in consultation with the State-  
362 Assisted Housing Sustainability Advisory Committee, shall consider  
363 the long term viability of the eligible housing and the likelihood that  
364 financial assistance will assure such long term viability. As used in this  
365 section, "viability" includes, but is not limited to, continuous  
366 habitability and adequate operating cash flow to maintain the existing  
367 physical plant and any capital improvements and to provide basic

368 services required under the lease and otherwise required by local  
369 codes and ordinances.

370 [(e)] (d) On or before February 1, 2009, and annually thereafter, the  
371 department, in consultation with the State-Assisted Housing  
372 Sustainability Advisory Committee, shall submit a report on the  
373 operation of the fund, for the previous calendar year, to the General  
374 Assembly, in accordance with section 11-4a. The report shall include  
375 an analysis of the distribution of funds and an evaluation of the  
376 performance of said fund and may include recommendations for  
377 modification to the program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	8-114d
Sec. 2	<i>from passage</i>	8-119h
Sec. 3	<i>from passage</i>	8-119l
Sec. 4	<i>from passage</i>	8-119x
Sec. 5	<i>from passage</i>	8-410
Sec. 6	<i>from passage</i>	8-336m
Sec. 7	<i>from passage</i>	8-336o
Sec. 8	<i>from passage</i>	8-336p(d)
Sec. 9	<i>from passage</i>	8-37yy

**Statement of Purpose:**

That the general statutes be amended to (1) authorize housing partnerships to receive resident services coordinators grants and congregate housing operating subsidies and be an eligible developer under the congregate housing for the elderly program, (2) clarify the information to be included in the disability registry database, (3) allow for-profit developers to be eligible for the low and moderate income housing predevelopment cost revolving loan fund and interest-free loans for predevelopment costs, (4) allow third party contractors to receive funding under the Housing Trust Fund program, and allow the fund to accept and hold both federal and other public funds in its program account, and (5) repeal the requirement for regulations for the

Housing Sustainability Fund.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*